



# Department of Justice

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AT  
(202) 616-2771  
TDD (202) 514-1888

## **JUSTICE DEPARTMENT APPROVES CHANCELLOR MEDIA CORPORATION'S ACQUISITION OF KUNZ & COMPANY'S OUTDOOR ADVERTISING ASSETS**

### **Divestiture of Certain Kunz Assets Required to Close Deal**

WASHINGTON, D.C. -- The Department of Justice reached a settlement today with Chancellor Media Corporation allowing it to go forward with its \$39.5 million acquisition of Kunz & Company after Chancellor agreed to divest outdoor advertising assets in Kern, Kings, and Inyo Counties, California and Mojave County, Arizona. The assets are valued at more than \$5 million.

Chancellor and Kunz are head-to-head competitors in the business of selling outdoor advertising, such as billboard space, to business consumers.

"Without this divestiture, local and small business consumers for whom outdoor advertising is an essential form of media communication would have paid higher prices for advertising," said Joel I. Klein, Assistant Attorney General in charge of the Antitrust Division. "This divestiture ensures that consumers will continue to have the benefits of competition."

The Department's Antitrust Division filed suit today in U.S. District Court in Washington, D.C. to block Chancellor's original proposal to acquire Kunz's outdoor advertising business. At the same time, a proposed settlement was filed that, if approved by the court, would settle the case.

According to the complaint, the proposed acquisition would substantially lessen competition for outdoor advertising in the four counties, giving Chancellor a virtual monopoly in some areas and more than 60 percent of the market in others. The loss of competition likely would have resulted in higher prices and lower quality for advertisers.

Chancellor Media Corporation, a Delaware Corporation headquartered in Dallas, conducts some of its outdoor advertising business through its subsidiary, Martin MacFarlane Inc., also headquartered in Dallas. Martin sells outdoor advertising in several states throughout the U.S., including California and Arizona. In 1997, Chancellor had approximately \$78 million overall in outdoor advertising sales.

Kunz & Company, headquartered in Larkspur, California, has outdoor advertising operations in approximately fifteen counties in Arizona and California. In 1997, it had \$6.9 million in sales.

As required by the Tunney Act, the proposed consent decree, along with the Department's Competitive Impact Statement, will be published in the Federal Register. Any person may submit written comments concerning the proposed decree during a sixty-day comment period to Craig Conrath, Chief; Merger Task Force; Antitrust Division; U.S. Department of Justice; 1401 H Street, NW, Suite 4000; Washington, D.C. 20530. At the conclusion of the comment period, the Court may enter the consent decree upon a finding that it serves the public's interest.

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